

Alberta Minimum Wage Profile

April 2008 - March 2009

April 2009

Government of Alberta ■
Employment and Immigration

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Introduction

The *Alberta Minimum Wage Profile* presents current information on minimum wage earners in Alberta and other provinces. Statistics include the percentage of employees¹ earning minimum wage in each province plus the characteristics of Alberta minimum wage earners².

The profile uses rates that are effective for two time periods: April 1, 2007 to March 31, 2008 and April 1, 2008 to March 31, 2009.

Interprovincial Analysis

The percentage of employees earning minimum wage in Alberta was 1.3% in April 2007 – March 2008 as Alberta's minimum wage rose from \$7.00 to \$8.00 per hour in September 2007. This percentage was 1.4% in April 2008 – March 2009 when Alberta's minimum wage was raised to \$8.40 on April 1st, 2008. The Canadian percentage also increased between these two reference periods as provinces raised their minimum wages. (Figure 1)

Figure 1: Percentage of Employees Earning Minimum Wage

	April 2007 – March 2008	April 2008 – March 2009
Alberta	1.3%	1.4%
Canada	5.0%	5.4%

Between April 1, 2008 and March 31, 2009, there were six provinces – Ontario, Saskatchewan, Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Quebec – that raised their minimum wage levels. (Figure 2)

Figure 2: Provinces with Increases in Minimum Wage in Current Reference Period

Province	April 1, 2008	March 31, 2009
Ontario	\$8.75	\$9.50
Saskatchewan	\$8.25	\$8.60
Newfoundland and Labrador	\$8.00	\$8.50
Prince Edward Island	\$7.50	\$8.00
Quebec	\$8.00	\$8.50
Nova Scotia	\$7.60	\$8.10

¹ See definition in Appendix A

² See definition in Appendix A

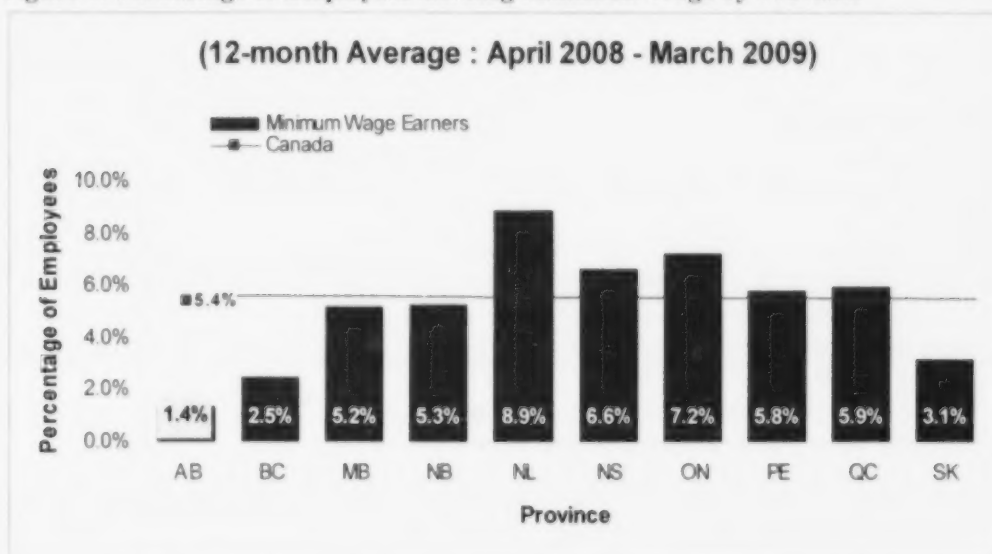
Of the six provinces that had raised their minimum wage, two saw decreases in the percentage of their employees earning minimum wage. For the other four provinces, Ontario, Newfoundland and Labrador, Quebec and Nova Scotia, the proportions of minimum wage earners increased between the April 2007 – March 2008 reference period and the April 2008 – March 2009 period. (Figure 3)

Figure 3: Percentage of Employees Earning Minimum Wage by Province

Percentage of Employees Earning Minimum Wage	April 2007 - March 2008	April 2008 - March 2009
Ontario	5.6%	7.2%
Saskatchewan	3.4%	3.1%
Newfoundland and Labrador	6.4%	8.9%
Prince Edward Island	7.0%	5.8%
Quebec	5.5%	5.9%
Nova Scotia	6.0%	6.6%

Most of Alberta's employees earned more than minimum wage. Between April 2008 and March 2009, of 1,501,040 employeesⁱⁱⁱ in Alberta's organizations, 20,630 earned minimum wage. Alberta's minimum wage earners made up 1.4% of all employees, the lowest percentage among Canadian provinces. (Figure 4)

Figure 4: Percentage of Employees Earning Minimum Wage by Province



ⁱⁱⁱ The analyses in this profile exclude 511,720 individuals who were self-employed, unpaid family workers or who worked more than 44 hours per week.

Several provinces have scheduled increases to their minimum wage rates in the coming years. Figure 5 shows a summary of upcoming minimum wage increases as of April 1, 2009. (See Appendix B for more information)

Figure 5: Provinces with Upcoming Minimum Wage Increases

Province	Minimum Hourly Wages Rate as of March 31, 2009	Next Minimum Hourly Wage Rate	Effective Date
Alberta	\$8.40	\$8.80	April 1, 2009
Saskatchewan	\$8.60	\$9.25	May 1, 2009
Manitoba	\$8.50	\$8.75	May 1, 2009
		\$9.00	October 1, 2009
New Brunswick	\$7.75	\$8.00	April 15, 2009
		\$8.25	September 1, 2009
Newfoundland & Labrador	\$8.50	\$9.00	July 1, 2009
		\$9.50	January 1, 2010
Ontario	\$9.50	\$10.25	March 31, 2010
Quebec	\$8.50	\$9.00	May 1, 2009
Nova Scotia	\$8.10	\$8.60	April 1, 2009
Prince Edward Island	\$8.00	\$8.20	June 1, 2009
		\$8.40	October 1, 2009

Detailed information about minimum wage rates can be found at the website:

<http://srv116.services.gc.ca/wid-dimt/mwa/index.aspx?report=report1>.

Alberta Analysis

In Alberta, the minimum wage earner profile was as follows from April 2008 to March 2009.

- aged 15-19 years
- full-time work
- private sector work
- permanent employment
- non-union employee
- less than one year of job experience
- work in the Accommodation and Food Services industry
- work in Sales and service occupations, n.e.c.^{iv}
- some high school
- female

^{iv} Not elsewhere classified

The 15 to 19 years age group was the predominant group of minimum wage earners. However, this age group accounted for a smaller proportion of the total number of minimum wage earners in Alberta this period, declining 10.4 percentage points from the April 2007 – March 2008 period. The proportion of people earning minimum wage in age group 45 to 49 years experienced an increase of 6.8 percentage points. (Figure 6)

Figure 6: Proportion of Alberta Minimum Wage Earners by Age (years)

	April 2007 - March 2008	April 2008 - March 2009
15-19	43.6%	33.2%
20-24	15.5%	15.6%
25-29	6.1%	5.0%
30-34	5.8%	8.2%
35-39	4.1%	5.3%
40-44	6.4%	6.6%
45-49	3.5%	10.3%
50-54	5.3%	6.4%
55+	9.7%	9.3%
Total	100%	100%

Proportionately more full-time workers earned minimum wage compared to the April 2007 – March 2008 period. In contrast, part-time workers accounted for a smaller proportion of minimum wage earners. (Figure 7)

Figure 7: Proportion of Alberta Minimum Wage Earners by Type of Work

	April 2007 - March 2008	April 2008 - March 2009
Full-Time	38.9%	55.7%
Part-Time	61.1%	44.3%
Total	100%	100%

Minimum wage earners worked largely in the private sector. The percentage of minimum wage earners in the private sector fell slightly, 0.5 percentage points, from the previous reference period. (Figure 8)

Figure 8: Proportion of Alberta Minimum Wage Earners by Employee Type

	April 2007 - March 2008	April 2008 - March 2009
Private Sector Employee	91.4%	90.9%
Public Sector Employee	8.6%	9.1%
Total	100%	100%

The majority of minimum wage earners were in permanent employment. (Figure 9)

Figure 9: Proportion of Alberta Minimum Wage Earners by Nature of Job

	April 2007 - March 2008	April 2008 - March 2009
Permanent	80.9%	79.5%
Temporary	19.1%	20.5%
Total	100%	100%

The majority, or 93.2%, of Alberta minimum wage earners were non-union employees. Unionized employees earning minimum wage rose by 1.7 percentage point in the April 2008 – March 2009 reference period. (Figure 10)

Figure 10: Proportion of Alberta Minimum Wage Earners by Union Status

	April 2007 - March 2008	April 2008 - March 2009
Non-Union Employee	95.2%	92.3%
Union Member	4.7%	6.4%
Covered by Collective Agreement, Not Member	0.1%	1.3%
Total	100%	100%

Of all minimum wage earners, 44.6% had less than one year of job experience. However, there was an increase in the per cent of minimum wage earners with one year or more experience. (Figure 11)

Figure 11: Proportion of Alberta Minimum Wage Earners by Job Experience

	April 2007 - March 2008	April 2008 - March 2009
Less than One Year	50.5%	44.6%
One to Five Years	34.6%	38.4%
More than Five Years	14.9%	17.0%
Total	100%	100%

Over half of Alberta's the minimum wage earners were employed in the following three industries: Accommodation and Food Services, 26.5%; Retail Trade, 15.7%; and Other Services (except Public Administration), 10.4%. (Figure 12)

Figure 12: Proportion of Alberta Minimum Wage Earners by Industry

	April 2007 - March 2008	April 2008 - March 2009
Accommodation and Food Services	33.4%	26.5%
Retail Trade	21.0%	15.7%
Other Services (except Public Administration)	8.7%	10.4%
Health Care and Social Assistance	2.6%	6.4%
Educational Services	5.5%	5.8%
All Other Industries	28.8%	35.2%
Total	100%	100%

Close to half of Alberta's minimum wage earners worked in the following three occupational groups: Sales and service occupations n.e.c.^{*}, 19.9%; Retail sales persons, sales clerk, cashiers, including retail trade supervisors, 15.2%; and Chefs, cooks, and occupations in food and beverage service, including supervisors, 14.1%. (Figure 13)

Figure 13: Proportion of Alberta Minimum Wage Earners by Occupation

	April 2007 - March 2008	April 2008 - March 2009
Sales and service occupations n.e.c.	30.6%	19.9%
Retail sales persons, sales clerk, cashiers	11.5%	15.2%
Chefs, cooks, occupations in food and beverage service	18.4%	14.1%
Clerical occupations	10.2%	11.5%
Financial, secretarial and administrative	3.2%	8.6%
All other occupations	26.0%	30.6%
Total	100%	100%

^{*} Not elsewhere classified

Of all Alberta minimum wage earners, 37.2% had some high school education; and 25.4% had graduated from high school. (Figure 14)

Figure 14: Proportion of Alberta Minimum Wage Earners by Highest Educational Attainment

	April 2007 - March 2008	April 2008 - March 2009
0-8 Years (Elementary)	4.2%	6.4%
Some High School	42.4%	30.8%
High School Graduate	20.2%	25.4%
Some Post-Secondary	8.9%	7.3%
Post-Secondary Certificate or Diploma	15.3%	18.7%
University Degree	9.0%	11.4%
Total	100%	100%

Females made up 69.9% of the minimum wage earners in Alberta, an increase of 4.4 percentage points from the last reference period. (Figure 15)

Figure 15: Proportion of Alberta Minimum Wage Earners by Gender

	April 2007 - March 2008	April 2008 - March 2009
Female	65.5%	69.9%
Male	34.4%	30.1%
Total	100%	100%

Methodology, Definitions and Detailed Interprovincial Minimum Wage Information

For information on the methodology and definitions, see Appendix A. Appendix B gives detailed information on upcoming changes to minimum wage rates in the provinces. Appendix C provides the minimum wages before and after tax for each province.

Appendix A

Methodology

The data for this profile are gathered from the Labour Force Survey (LFS) conducted by Statistics Canada. Each month, the Data Development and Evaluation branch of Alberta Employment and Immigration receives LFS files from Statistics Canada. This includes a microdata file, which contains the complete file of all LFS responses.

The minimum wage analysis is performed on the microdata using the statistical software package SAS. The Canadian territories are not captured in the LFS so they are excluded from this analysis. Twelve-month averages are used to ensure the results are not affected by seasonality. The microdata files for each of the twelve months examined are combined into one large data set and annual averages are then calculated. For example, in this profile, the results are an average of the April 2008 to March 2009 numbers.

Minimum wage rates often change; therefore the minimum wage profile will differ from one report to the next.

Occupational and industrial classifications were based on the following.

National Occupational Classification for Statistics 2006

<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?lang=eng&catno=12-583-X>

North American Industry Classification System – Canada 2007

<http://www.statcan.gc.ca/pub/12-501-x/12-501-x2007001-eng.pdf>

All data are from Statistics Canada, Labour Force Survey microdata files, with the following exceptions:

Appendix B: Fact Sheet: Minimum Hourly Wage Rates

Source: Human Resources and Skills Development Canada

Appendix C: After Tax Minimum Wage Comparisons

Source: Alberta Finance and Enterprise

Appendix A (Continued)

Definitions

These definitions are from Statistics Canada, except for "Employees" and the occupational and industrial groups.

Employees

In this analysis, people who were either self-employed or listed as having an hourly wage rate of \$0.00 were removed from the overall employment figure to determine the number of employees. Employees working greater than 44 hours were also excluded from the analysis. Please note that the number of employees in organizations is different from the employment figure for Alberta.

Full-Time Employees

People who usually work 30 hours or more per week at their main or only job.

Minimum Wage Earner

People who earned minimum wage or less. Some employees fall outside the scope of the Employment Standards Code's minimum wage provisions and may earn less than minimum wage. See Section 8 of the Employment Standards Regulation and section 2(3)(g) of the Code for more information.

Occupations in Social Science, Government Service and Religion

Occupations in this major group include Recreation, Sports and Fitness Program Supervisors and Early Childhood Educators and Assistants.

Other Services (except Public Administration) Industry

Consists of establishments engaged in repairing or maintaining motor vehicles, machinery, equipment and other products; providing personal services; organizing/promoting religious activities; and promoting/advocating causes in various organizations and associations.

Part-Time Employees

People who usually work less than 30 hours per week at their main or only job.

Permanent Job

A permanent job is one that is expected to last as long as the employee wants it, given that business conditions permit. There is no pre-determined termination date.

Sales and Service Occupations n.e.c.

Occupations in this major group are primarily concerned with providing services not elsewhere classified in other Sales and service occupational groups, non-store retail sales not elsewhere classified and providing services related to sales. Examples of occupations in this category include hairstylists, cleaners and butchers.

Appendix A (Continued)

Definitions (Continued)

Temporary Job

A temporary job has a predetermined end date, or will end as soon as a specified project is completed, including seasonal jobs; temporary, term or contract jobs, including work done through a temporary help agency; casual jobs; and other temporary work.

Wage

Hourly wage/salary before taxes and other deductions, including tips, commissions and bonuses.

Appendix B

FACT SHEET: MINIMUM HOURLY WAGE RATES

Jurisdiction	General Rate for Adult Workers ⁱ	Effective Date (D/M/Y)	Rate for Young or Inexperienced Workers	Effective Date (D/M/Y)
Federal	Same as the general adult minimum wage rate of the province or territory where the work is performed.	18/12/96	Employees under 17: same as the general adult minimum wage rate of the province or territory where they work.	18/12/96
Alberta	\$8.00 \$8.40 \$8.80	01/09/07 01/04/08 01/04/09	Same as adult rate.	
British Columbia	\$8.00	01/11/01	\$6.00 (for inexperienced employees) ⁱⁱ	15/11/01
Manitoba	\$8.00 \$8.50	01/04/07 01/04/08	Same as adult rate.	
New Brunswick	\$7.75 \$8.00 \$8.25	31/03/08 15/04/09 01/09/09	Same as adult rate.	
Newfoundland and Labrador	\$8.00 \$8.50	01/04/08 01/01/09	Same as adult rate.	
Northwest Territories	\$8.25	28/12/03	Same as adult rate.	
Nova Scotia	\$7.60 \$8.10	01/05/07 01/05/08	\$7.15 \$7.60 (for inexperienced employees) ⁱⁱⁱ	01/05/07 01/05/08
Nunavut	\$8.50 \$10.00	03/03/03 01/09/08	Same as adult rate.	
Ontario	\$8.75 \$9.50 \$10.25	31/03/08 31/03/09 31/03/10	\$7.50 \$8.20 \$8.90 \$9.60 (for students) ^{iv}	01/02/07 31/03/08 31/03/09 31/03/10

Jurisdiction	General Rate for Adult Workersⁱ	Effective Date (D/M/Y)	Rate for Young or Inexperienced Workers	Effective Date (D/M/Y)
Prince Edward Island	\$7.50 \$7.75 \$8.00	01/04/07 01/05/08 01/10/08	Same as adult rate.	
Quebec	\$8.00 \$8.50	01/05/07 01/05/08	Same as adult rate.	
Saskatchewan	\$8.25 \$8.60 \$9.25	01/01/08 01/05/08 01/05/09	Same as adult rate.	
Yukon	\$8.37 ^v \$8.58 \$8.89	01/04/07 01/04/08 01/04/09	Same as adult rate.	

Source: Labour Law Analysis
International and Intergovernmental Labour Affairs
Labour Program, Human Resources and Skills Development Canada
May 2, 2009

Notes:

ⁱ In many jurisdictions, special minimum wage rates apply to certain specific occupations (e.g., domestics, salespersons, crop harvesters and employees who usually receive gratuities).

ⁱⁱ In British Columbia, "inexperienced employees" are those who had no paid employment experience prior to November 15, 2001 and who have since accumulated less than 500 hours of paid employment experience with one or more employers.

ⁱⁱⁱ In Nova Scotia, the term refers to those who have not been employed for more than three months by any employer to do the work for which they are presently employed.

^{iv} These rates apply to students under 18 who are employed up to 28 hours in a week, or during a school holiday.

^v Effective April 1, 2007, and on April 1 of each subsequent year, this rate will increase by an amount corresponding to the annual increase for the preceding year in the Consumer Price Index (CPI) for the city of Whitehorse. To date, Yukon is the only jurisdiction in Canada to tie annual wage increases to the CPI.

Appendix C

The following minimum wage comparison table factors in taxes and then ranks the provinces with the highest to lowest after tax wage rate. Please note that this table and the graph below it were based on the most recent minimum wages as of March 25, 2009 and can, therefore, only be reviewed separately from the rest of the analysis in this report.

Minimum Wage Comparisons 2009

* For Single Income Earners

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NL
Minimum Wage Rate	\$ 8.40	\$ 8.00	\$ 8.60	\$ 8.50	\$ 8.75	\$ 8.50	\$ 7.75	\$ 8.10	\$ 8.00	\$ 8.50
Salary (2000 hrs)	\$ 16,800	\$ 16,000	\$ 17,200	\$ 17,000	\$ 17,500	\$ 17,000	\$ 15,500	\$ 16,200	\$ 16,000	\$ 17,000
Federal Tax	\$ 1,642	\$ 1,870	\$ 1,730	\$ 1,668	\$ 1,809	\$ 2,414	\$ 1,352	\$ 1,496	\$ 1,447	\$ 1,677
Personal Income Tax	\$673	\$969	\$729	\$701	\$771	\$1,399	\$491	\$589	\$561	\$701
CPP/EI/QPP	\$949	\$896	\$976	\$962	\$996	\$985	\$862	\$909	\$896	\$962
GST	\$20	\$5	\$25	\$5	\$42	\$30	(\$1)	(\$2)	(\$9)	\$13
Provincial Tax	\$ -	\$ 199	\$ 371	\$ 1,181	\$ 198	\$ 451	\$ 344	\$ 923	\$ 1,114	\$ 1,008
Personal Income Tax	\$0	\$0	\$107	\$771	(\$241)	\$105	(\$205)	\$403	\$525	\$425
Sales Tax	\$0	\$199	\$264	\$410	\$439	\$346	\$549	\$521	\$589	\$583
Health Care Premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Summary										
Before Tax Ranking	6	8	2	3	1	3	10	7	8	3
Total Tax	\$ 1,642	\$ 2,070	\$ 2,101	\$ 2,849	\$ 2,006	\$ 2,866	\$ 1,697	\$ 2,419	\$ 2,561	\$ 2,685
After Tax Salary	\$ 15,158	\$ 13,930	\$ 15,099	\$ 14,151	\$ 15,494	\$ 14,134	\$ 13,803	\$ 13,781	\$ 13,439	\$ 14,315
After Tax Wage Rate	\$ 7.58	\$ 6.97	\$ 7.55	\$ 7.08	\$ 7.75	\$ 7.07	\$ 6.90	\$ 6.89	\$ 6.72	\$ 7.16
After Tax Ranking	2	7	3	5	1	6	8	9	10	4

Based on the best information available as of: April 30, 2009 for the: 2009 provincial tax systems. Minimum wage rates as of: March 25, 2009

NOTE: This comparison assumes that all income is from employment and only personal, CPP, and EI credits are claimed. No shifting assumptions are made.

Source: Alberta Finance and Enterprise

Appendix C (Continued)



With low taxes, Alberta had the second highest provincial after-tax minimum wage rate, as of March 2009. In April 2008, Alberta had the highest after-tax rate of the ten provinces.

Before tax, Alberta had the sixth highest minimum wage rate. Ontario had the highest before-tax minimum wage rate, followed by Saskatchewan. Three provinces, New Brunswick, Newfoundland and Labrador and Quebec, had the third highest before tax minimum wage rate.

Source: Alberta Finance and Enterprise
April 30, 2009